

**ACCOUNTING EXAMINING BOARD MEETING  
MADISON, WI  
MARCH 21, 2003  
MINUTES**

**PRESENT:** Fredrick Franklin (left at Noon), Sharon Hamilton, Jim Johnson, Roman Jungers, Thomas Kilkenny, Frank Probst

**STAFF PRESENT:** Otis Nickson, Mary Forseth, William Dusso, Grace Schwingel, DOE staff

**GUESTS:** Arland Stone, WAA  
LeRoy Schmidt, WICPA  
Kim Tredinnick, Virchow, Krause & Co.

**CALL TO ORDER**

Jim Johnson, Chair, called the meeting to order at 9:00 a.m. A quorum of 6 members was present.

**AGENDA**

Amendments to Agenda: Minutes reviewed are from January 17, 2003 (not 12/13/02)

**MOTION:** Sharon Hamilton moved, seconded by Thomas Kilkenny, to approve the agenda as amended. Motion carried unanimously.

**MINUTES - JANUARY 17, 2003**

**MOTION:** Sharon Hamilton moved, seconded by Thomas Kilkenny, to approve the minutes of 1/17/03 as published. Motion carried unanimously.

**ADMINISTRATIVE REPORT, MARY FORSETH, DIRECTOR, BUREAU OF  
BUSINESS AND DESIGN PROFESSIONS**

Otis Nickson introduced himself and gave a brief review of his background.

**Board Roster**

Jim Johnson will no longer be serving on the screening panel.  
Sharon Hamilton requested that a woman be considered to fill the vacancy on the board, noting that half of accounting graduates are women.

**Board Membership, Jim Johnson**

Mary Forseth noted that Allyssa Whitney is the contact person in the Governor's office for board appointments and will send board members contact information for Allyssa Whitney.

### **2003 Meeting Dates**

Meeting dates were approved as published. The Board's next meeting is May 16, 2003.

### **Summary Reports on Pending Court Cases, Disciplinary Cases and Administrative Rules and Monthly Press Release of Disciplinary Orders**

Noted

### **Summary Reports in Agenda Packets, Jim Johnson**

The Board had a discussion regarding whether it is necessary for the board to receive this information in its agenda packet. The Board decided it would prefer to have only one copy of this report available for review at the meeting .

### **Regulatory Digest Articles for 8/2003 Issue**

The Board will work on articles for the Regulatory Digest and review this item again at its next meeting.

### **Secretary/Deputy Secretary Comments**

Secretary Donsia Strong Hill, Deputy Secretary Mary Schlaefer, and Division Administrator Patty Hoeft introduced themselves to the Board members. Each administrator gave a brief review of their backgrounds.

## **REVIEW STATUS OF ADMINISTRATIVE RULES**

### **Status of Peer Review Rule, William Dusso**

Legal Counsel, William Dusso, distributed Clearinhouse Rule 02-119 and reviewed the peer review rule with the Board. Legal Counsel also distributed HR 3763 from the One Hundred Seventh Congress of the USA and discussed issues involving inspections of registered public accounting firms. The Board recommended that to meet the AICPA peer review requirement, an applicant may apply to have an alternative provider in lieu of a peer review in which case the Board would consider that application separately. The Board in making that determination will assess whether the results of the alternative review are substantially consistent with the objectives of the review as set forth by the AICPA peer review requirement. The Board made recommendations that will be implemented into the rule on Peer Review by Legal Counsel. The Board will review the Peer Review Issue Brief that was distributed and will discuss this issue again at its next Board meeting.

**Review Revised Draft of “Application of Rules of Conduct of Certified Public Accountants who Operate a Separate Business,” and Review of the Revised Modernization Act, Conforming Code Changes. William Dusso**

Legal Counsel, William Dusso reviewed the Department’s draft of the “housekeeping” rule draft needed to conform the Board’s rules to the Modernization Act which requires changes to the Administrative code. Legal Counsel, William Dusso, will revise the Board’s rules to bring them into conformity with the Modernization Act, as recommended by the Board.

**Independence Rules, William Dusso**

Legal Counsel, William Dusso, reviewed the Board’s Independence Rules and will make revisions to this rule as recommended by the Board.

The Department will forward the exam rules as soon as possible. The Peer Review rules will be revised by Legal Counsel and discussed at its May meeting.

**MOTION:** Sharon Hamilton moved, seconded by Roman Jungers, to adopt by reference in the Wisconsin Administrative Code, the standards for independence recently adopted by the AICPA. Motion carried unanimously.

**Board Review and Approval of CPA CBT Rule, Pamela Haack**

Darwin Tichenor, Exam Specialist, joined the Board for discussion on rules for computer based exams; he reviewed changes made to the CPA CBT Rule and transition rules Accy 3.06 and Accy 3.07.

**MOTION:** Sharon Hamilton moved, seconded by Roman Jungers, to absolutely send this CBT rule to the Legislature. Motion carried unanimously.

**EXAMINATION/APPLICATION ISSUES**

**CPA Exam Pretest UW-Whitewater April 11-12, Barb Showers**

Dr. Barbara Showers noted that the CPA Exam Pretest sessions will be held at UW-Whitewater on April 11<sup>th</sup> & 12<sup>th</sup>, 2003. Jim Johnson will attend this exam on April 12<sup>th</sup>. Dr Showers will advise board members by e-mail, of the times the sessions will be held on these dates. Barbara Showers reviewed the process involved in the computerized exam, and indicated it would be a multiple choice exam.

**Determine Need for Wisconsin Ethics Exam, Darwin Tichenor**

There was a discussion regarding the need for the Wisconsin ethics exam since Wisconsin complies with AICPA requirements which does cover ethics issues. Thomas Kilkenny reviewed the background of this issue. Currently this exam is part of the requirements for CPA registration.

The Board needs to decide if it would be duplicating what is currently being done by the UAA and placing an unnecessary burden on applicants for a Wisconsin license to require them to take a separate ethics exam in order to qualify to practice in Wisconsin. However, the Board also wants to ensure that all licensees practicing in Wisconsin are aware of the unique ethics requirements for Wisconsin. Legal Counsel pointed out that the Board has discretion as to what is in the exam and the Board has the authority to do what it thinks is best in this matter.

The Board will gather information on what specifically is covered in the AICPA Ethics Exam to ensure that it is consistent with recent changes made to the Board's statutes. It was noted that the Board has used the AICPA rules of independence. If the Board were to rely on another ethics exam, it would want requirements that are included in the Wisconsin statutes to be the minimum standard for any ethics requirements. It was noted that there are a number of states which do require a separate ethics exam to ensure that applicants do understand the rules of conduct in that state.

Darwin Tichenor will do an analysis for the May Board meeting, comparing the current ethics requirements in Wisconsin with what is required on the CPA exam and by the UAA, NASBA and the AICPA. Darwin Tichenor will convene a Review Committee including Sharon Hamilton, Fred Franklin and Mr. Kim Tredinnick to work with him on how the Board may best proceed to ensure that the Wisconsin ethics requirements are adequate to protect the public interest without being unnecessarily cumbersome to Wisconsin applicants.

Darwin Tichenor noted that the next Accounting exam will be given on May 7<sup>th</sup> and 8<sup>th</sup> and said board members would be welcome to attend. Jim Johnson will attend the Madison site exam on May 7<sup>th</sup>. Sharon Hamilton will attend the Milwaukee exam on May 8<sup>th</sup>.

#### **Report on November 2002 Exam Administration, Barb Showers**

Barbara Showers reported on concerns the Department has with the new exam provider, Personnel Cooperative Services (PCS), as a result of a series of errors that have occurred regarding the pass/fail aspect of the exam and some other errors that have occurred in the past. The Exam Office is working closely with the exam provider to ensure that all the steps in the exam process are done correctly. The Department has given PCS the required 4 months notice of termination of their contract and will be seeking a new contractor to provide exam services for the Boards.

### **PRACTICE ISSUES**

None

### **BOARD MEMBER ACTIVITY**

Sharon Hamilton gave a presentation on ethics and the computerized CPA exam to a group of Racine and Kenosha accountants. Jim Johnson and LeRoy Schmidt presented a medal to a woman from the UW-Madison campus who received the third highest grade on the CPA examination.

There was discussion on whether a board member will be able to attend the NASBA meeting due to budget constraints. It was suggested that NASBA be contacted to inquire if NASBA would be willing to pay the entire cost to enable a delegate from Wisconsin to attend the June NASBA annual meeting in Louisville.

There had been an offer from a lobbyist to pay the cost of sending a delegate to the NASBA meeting. Legal Counsel indicated this would be an ethics violation. Otis Nicksion and Mary Forseth will talk with Secretary Strong Hill regarding how best to comply with budget and ethics concerns regarding travel expenses to the NASBA meeting. The Board will name a delegate at its May meeting.

### **PRESENTATION OF PROPOSED STIPULATIONS BY PROSECUTOR OR ANY THAT MAY BE SUBMITTED AFTER PRINTING OF AGENDA**

None

### **MISCELLANEOUS CORRESPONDENCE/INFORMATION**

None

### **NEW BUSINESS**

None

### **CLOSED SESSION**

**MOTION:** Jim Johnson moved, seconded by Frank Probst, to convene to closed session to deliberate on cases following hearing (s. 19.85(1)(a), Stats.; to consider licensure or discipline (s. 19.85(1)(b), Stats.; to consider individual histories or disciplinary data (s. 19.85(1)(f), Stats.; and, to confer with legal counsel (s. 19.85(1)(g), Stats. Motion carried by roll call vote: Sharon Hamilton-yes, Jim Johnson - yes, Roman Jungers - yes, Thomas Kilkenny - yes, Frank Probst-yes.

Open session recessed at 12:10 p.m.

### **RECONVENE TO OPEN SESSION**

**MOTION:** Sharon Hamilton moved, seconded by Roman Jungers, to reconvene into open session at 12:25 p.m. Motion carried unanimously.

**VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION, IF VOTING IS APPROPRIATE**

**MOTION:** Roman Jungers moved, seconded by Sharon Hamilton, to approve the candidates that the Board approved today and that had been approved by the Department since the Board's last meeting. Motion carried unanimously.

**MONITORING REPORT**

**DEVON BANGERTER, JR. AND HENNEN AND ASSOCIATES,  
COMPLETION OF ORDER REQUIREMENTS.**

**MOTION:** Sharon Hamilton moved, seconded by Jim Johnson, to accept the fulfillment and completion of the order against Devon Bangerter, Jr. and Hennen & Associates. Motion carried unanimously.

**Pending Applications, If any**

Otis Nickson will ensure that applications are looked at the day before the meeting to avoid having additional applications brought into the Board on the day of the meeting.

**APPLICATIONS REVIEWED ON MARCH 21, 2003**

The Board took the following action on applications. Applicants applied based on examination, transfer of credit from another state and endorsement of license from another state.

**FOR REGISTRATION AS A CERTIFIED PUBLIC ACCOUNTANT**

1. Approved – 35

BRANDENBURG, JESSICA M  
CLARK, KARA L  
DUMKE, DAVE A  
DUNN, ANDREW P  
EASTMAN, DWAYNE N  
ERWIN, TENILLE M  
FEINBERG, MICAH  
GEISLER, NORMA PATRICIA  
GILLINGHAM, ERIN C

GROSS, LYNN D  
KINAS, KELLY B  
LEVERAULT, AMY L  
MARX, CHRISTINE R  
MC GOWN, DANIEL W  
NAFFIN, LISA M  
OSTERBERG, ANDREW P  
PALMER, ANGELA M  
PANSER, DARRELL D  
PARKS, PATRICK J  
PATEL, SWAPNA D  
POWELL, WALFYETTE T  
RADECKE, ANGELA D  
RAY, DAVID C  
SALE, KIM M  
SCHAEFER, JENNIFER L  
SCHOLZE, SARAH J  
SHIKOSKE, MARK R  
SKOGLUND, TAMARA M  
STERMER, SUSAN L  
STRELOW, CHAD R  
TORBECK, KEITH S  
VERKUILEN, ROSA M  
WESOLOSKI, CARRIE L  
WILLIAMS, SHEILA J  
ZABROWSKI, TRACY L

#### **ADJOURNMENT**

**MOTION:** Sharon Hamilton moved, seconded by Frank Probst, to adjourn the meeting at 12:30 p.m. Motion carried unanimously.

**Next Meeting: Friday, May 16, 2003 - 9:00 a.m.  
Room 179A**